



State of Utah

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Department of
Environmental Quality

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DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
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Incoming
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Mike

RECEIVED

AUG 17 2016

DIV. OF OIL, GAS & MINING

AUG 15 2016

Mr. Scott A. Bakken
Director, Permitting & Environmental Affairs
Energy Fuels
225 Union Blvd., Suite 600
Lakewood, CO 80228

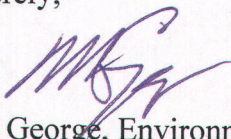
Dear Mr. Bakken:

Subject: Site Review and Inspections of the Daneros Mine located in San Juan County, Utah
UPDES Permit Number UTR260661

I appreciated meeting you, Race Fisher, Mike Neumann, Andrea Reither and Todd Eldredge on April 05, 2016. Site was also visited for a follow-up inspection on July 19, 2016. The SWPPP was updated in November 2012 and was complete. The mine is currently not in production. Storm water controls are located throughout the facility including several detention ponds and berms to direct storm water on the property. Drainage ditches have also been installed to control storm water from coming in contact with raw product or industrial activities. See attached photos and inspection report. There were no deficiencies observed and no further action is required at this time.

If you have any questions concerning the report do not hesitate to contact me at (801) 536-4393.
Thank you.

Sincerely,


Mike George, Environmental Scientist
UPDES Storm Water Section

MG:nf

Enclosures(3):
1. 3560 (DWQ-2016-012463)
2. Inspection report (DWQ-2016-012464)
3. Photo Log (DWQ-2016-012465)

cc: Rick Meyer, Environmental Health Director, San Juan County Public Health Dept., w/encl.
Mike Bradley, Environmental Scientist, Division of Oil, Gas and Mining, w/encl.
Scott Hacking, DEQ District Engineer, w/encl.

DWQ-2016-012462

Water Compliance Inspection Report

Section A: National Data System Coding (i.e., ICIS)

[illegible]

Section B: Facility Data

Name and Location of Facility Inspected (For industrial users discharging to POTW, also include POTW name and NPDES permit number) ENERGY FUELS RESOURCES USA, INC DANEROS MINE PORTIONS OF S ½ OF SEC 6, T37S, R16E AND IN A PORTION OF THE NE ¼ SEC 18, T3 SAN JUAN COUNTY, UTAH		Entry Time/ Date 09:30 AM 07/19/2016	Permit Effective Date 06/19/2012
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) RACE FISHER MINE SUPERINTENDENT 970-739-5742 TODD ELDREDGE MAINTAINANCE MANAGER 435-459-1075		Exit Time/ Date 11:00 AM 07/19/2016	Permit Expiration Date 12/31/2020
Name, Address of Responsible Official/Title/Phone and Fax Number SCOTT BAKKEN DIRECTOR, PERMITTING & ENVIRONMENTAL AFFAIRS 303-389-4132		Other Facility Data (e.g., SIC NAICS, and other descriptive information) SIC 1094	
Contacted <input checked="checked" type="checkbox"/> Yes		<input type="checkbox"/> No	

Section C: Areas Evaluated During Inspection (Check only those areas evaluated)

<input checked="" type="checkbox"/>	Permit	<input checked="" type="checkbox"/>	Self Monitoring Program	<input type="checkbox"/>	Pretreatment	<input type="checkbox"/> MS4
<input checked="" type="checkbox"/>	Records/Reports	<input type="checkbox"/>	Compliance Schedule	<input checked="" type="checkbox"/>	Pollution Prevention	
<input checked="" type="checkbox"/>	Facility Site Review	<input type="checkbox"/>	Laboratory	<input checked="" type="checkbox"/>	Storm Water	
<input type="checkbox"/>	Effluent/Receiving Waters	<input checked="" type="checkbox"/>	Operations & Maintenance	<input type="checkbox"/>	Combined Sewer Overflow	
<input type="checkbox"/>	Flow Measurement	<input type="checkbox"/>	Sludge Handling/Disposal	<input type="checkbox"/>	Sanitary Sewer Overflow	

Section D: Summary of Findings/Comments

(Attach additional sheets of narrative and checklists, including Single Event Violation codes, as necessary)

SEV Codes	SEV Description
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	

Name(s) and Signature(s) of Inspector(s) MIKE GEORGE, ENVIRONMENTAL SCIENTIST	Agency/Office/Phone and Fax Number(s) DIVISION OF WATER QUALITY (801) 536-4393	Date 8-15-15
Name and Signature of Management Q A Reviewer JEFF STUDENKA, MANAGER UPDES STORM WATER SECTION	Agency/Office/Phone and Fax Number(s) DIVISION OF WATER QUALITY (801) 536-4395	Date 8-15-16

INSTRUCTIONS

Section A: National Data System Coding (*i.e.*, ICIS)

Column 1: Transaction Code: Use N, C, or D for New, Change, or Delete. All inspections will be *new* unless there is an error in the data entered.

Columns 3-11: NPDES Permit No. Enter the facility's NPDES permit number - third character in permit number indicates permit type for U=unpermitted, G=general permit, etc. (*Use the Remarks columns to record the State permit number, if necessary.*)

Columns 12-17: Inspection Date. Insert the date entry was made into the facility. Use the year/month/day format (e.g., 04/10/01 = October 01, 2004).

Column 18: Inspection Type*. Use one of the codes listed below to describe the type of inspection:

A Performance Audit	X Toxics Inspection	6 IU Non-Sampling Inspection with Pretreatment
B Compliance Biomonitoring	Z Sludge - Biosolids	7 IU Toxics with Pretreatment
C Compliance Evaluation (non-sampling)	# Combined Sewer Overflow-Sampling	! Pretreatment Compliance (Oversight)@ Follow-up (enforcement)
D Diagnostic	\$ Combined Sewer Overflow-Non-Sampling	{ Storm Water-Construction-Sampling
F Pretreatment (Follow-up)	+ Sanitary Sewer Overflow-Sampling	} Storm Water-Construction-Non-Sampling
G Pretreatment (Audit)	& Sanitary Sewer Overflow-Non-Sampling	: Storm Water-Non-Construction-Sampling
I Industrial User (IU) Inspection	\ CAFO-Sampling	~ Storm Water-Non-Construction-Non-Sampling
J Complaints	= CAFO-Non-Sampling	< Storm Water-MS4-Sampling
M Multimedia	2 IU Sampling Inspection	- Storm Water-MS4-Non-Sampling
N Spill	3 IU Non-Sampling Inspection	> Storm Water-MS4-Audit
O Compliance Evaluation (Oversight)	4 IU Toxics Inspection	
P Pretreatment Compliance Inspection	5 IU Sampling Inspection with Pretreatment	
R Reconnaissance		
S Compliance Sampling		
U IU Inspection with Pretreatment Audit		

Column 19: Inspector Code. Use one of the codes listed below to describe the *lead agency* in the inspection.

A- State (Contractor)	O- Other Inspectors, Federal/EPA (Specify in Remarks columns)
B- EPA (Contractor)	P- Other Inspectors, State (Specify in Remarks columns)
E- Corps of Engineers	R- EPA Regional Inspector
J- Joint EPA/State Inspectors—EPA Lead	S- State Inspector
L- Local Health Department (State)	T- Joint State/EPA Inspectors—State lead
N- NEIC Inspectors	

Column 20: Facility Type. Use one of the codes below to describe the facility.

- 1- Municipal. Publicly Owned Treatment Works (POTWs) with 1987 Standard Industrial Code (SIC) 4952.
- 2- Industrial. Other than municipal, agricultural, and Federal facilities.
- 3- Agricultural. Facilities classified with 1987 SIC 0111 to 0971.
- 4- Federal. Facilities identified as Federal by the EPA Regional Office.
- 5- Oil & Gas. Facilities classified with 1987 SIC 1311 to 1389.

Columns 21-66: Remarks. These columns are reserved for remarks at the discretion of the Region.

Columns 67-69: Inspection Work Days. Estimate the total work effort (to the nearest 0.1 work day), up to 99.9 days, that were used to complete the inspection and submit a QA reviewed report of findings. This estimate includes the accumulative effort of all participating inspectors; any effort for laboratory analyses, testing, and remote sensing; and the billed payroll time for travel and pre and post inspection preparation. This estimate does not require detailed documentation.

Column 70: Facility Evaluation Rating. Use information gathered during the inspection (regardless of inspection type) to evaluate the quality of the facility self-monitoring program. Grade the program using a scale of 1 to 5 with a score of 5 being used for very reliable self-monitoring programs, 3 being satisfactory, and 1 being used for very unreliable programs.

Column 71: Biomonitoring Information. Enter D for static testing. Enter F for flow through testing. Enter N for no biomonitoring.

Column 72: Quality Assurance Data Inspection. Enter Q if the inspection was conducted as follow-up on quality assurance sample results. Enter N otherwise.

Columns 73-80: These columns are reserved for regionally defined information.

Section B: Facility Data

This section is self-explanatory except for "Other Facility Data," which may include new information not in the permit or PCS (e.g., new outfalls, names of receiving waters, new ownership, other updates to the record, SIC/NAICS Codes, Latitude/Longitude).

Section C: Areas Evaluated During Inspection

Check only those areas evaluated by marking the appropriate box. Use Section D and additional sheets as necessary. Support the findings, as necessary, in a brief narrative report. Use the headings given on the report form (e.g., Permit, Records/Reports) when discussing the areas evaluated during the inspection.

Section D: Summary of Findings/Comments

Briefly summarize the inspection findings. This summary should abstract the pertinent inspection findings, not replace the narrative report. Reference a list of attachments, such as completed checklists taken from the NPDES Compliance Inspection Manuals and pretreatment guidance documents, including effluent data when sampling has been done. Use extra sheets as necessary.

*Footnote: In addition to the inspection types listed above under column 18, a state may continue to use the following wet weather and CAFO inspection types until the state is brought into ICIS-NPDES: K: CAFO, V: SSO, Y: CSO, W: Storm Water 9: MS4. States may also use the new wet weather, CAFO and MS4 inspections types shown in column 18 of this form. The EPA regions are required to use the new wet weather, CAFO, and MS4 inspection types for inspections with an inspection date (DTIN) on or after July 1, 2005.

UPDES Storm Water Industrial Inspection

Background Information

National Database Information		General	
Inspection Type	W	Inspector Name	MIKE GEORGE
UPDES ID Number	UTR000829	Telephone	801-536-4393
Inspection Date	04/06/16 and 07/19/16	Entry Time	09:30 AM
Inspector Type	EPA <u>State</u> EPA Oversight	Exit Time	12:30 PM

Facility Location Information			
Name/Location/ Mailing Address	ENERGY FUELS RESOURCES USA, INC. 225 UNOIN BLVD., SUITE 600 LAKEWOOD, CO 802228		
GPS Coordinates	Latitude	38 18 34.79	Longitude
			109 14 5.03
Receiving Water(s)	COLORADO RIVER		
MS4's	N/A		

Contact Information		
	Name	Telephone
Owner/Permittee	ENERGY FUELS	303-389-4133
Operator	DENISON MINES (USA)	
Co-Permittee	N/A	
Facility Contact & Title	MIKE NEUMANN MANAGER RACE FISHER MINE MANAGER	303-389-4174 435-686-9999
Authorized Official(s)	PHILLIP BUCK	303-628-7798

Site Information:	
Industrial Activity	URANIUM MINING
SIC Code(s)	1094

UPDES Storm Water Industrial Inspection

<u>Basic Permit Information</u> (circle one)			<u>Basic SWPPP Information</u>		
Permit Coverage	<u>Y</u>	N	SWPPP on site	<u>Y</u>	N
Permit Type	<u>General</u>	Individual	SWPPP Satisfactory*	<u>Y</u>	N
Copy of NOI on site?	<u>Y</u>	N	SWPPP Implementation Satisfactory	<u>Y</u>	N
NOI Date	JUNE 19, 2012		*A Satisfactory SWPPP must be both current and complete (see pages 4, 5, and 6 of this checklist).		

<u>General</u>	
Industrial Activity	<i>(describe principal product, production rate, potential pollutants, areas exposed to precipitation, direction of storm water flow)</i> UNDERGROUND URANIUM MINES
	<i>(describe age and size of facility, number of employees, hours of operation)</i> LOCATED IN SAN JUAN COUNTY, UTAH

SWPPP Implementation *(complete in field)*

<u>Storm Water Controls</u>	
List the structural and non-structural controls employed by the facility.	<i>(provide a brief description of each)</i> STRUCTURAL: EARTHEN DAMS, , DETENTION BASINS, AND BURMS THAT DIVERT STORM WATER TO SEVERAL DETENTION BASINS. NON: EMPLOYEE TRAINING, HOUSEKEEPING, INSPECTIONS INCLUDING ANNUAL COMPREHENSIVE EVALUATIONS, AND SPILL PREVENTION
Are the controls reasonable and installed correctly and maintained?	<i>(indicate "yes" or "no", or if not appropriate, explain)</i> YES

UPDES Storm Water Industrial Inspection

SWPPP Implementation *(continued)*

<u>Storm Water Controls (continued)</u>	
Provide a brief description of other controls that manage/prevent/minimize storm water runoff.	<p><i>(e.g., erosion and sediment controls, exposure minimization, diversion structures, pollution prevention, inlet protection/control at storm drains)</i></p> <p>EARTHEN DAMS AND BERMS ARE USED FOR EROSION AND SEDIMENT CONTROL. SEVERAL DETENTION BASINS WERE OBSERVED.</p>

<u>Miscellaneous</u>	
Any evidence of discharge to receiving waters?	<p><i>(e.g., storm water runoff, dry weather discharge, co-mingling of process waste water)</i></p> <p>NO</p>
Do the storm water outfalls on site correspond with those listed on the site map and in SWPPP?	<p><i>(indicate "yes" or "no", or if not appropriate, explain)</i></p> <p>ALL STORM WATER IS MANAGED WITH DIVERSION DITCHES AND CAN HANDLE 100 YEAR, 24 HOUR STORMS.</p>

SWPPP Review *(can be completed in office)*

<u>General</u>			Notes:
Is a copy of the SWPPP on site?	<u>Y</u>	N	SWPPP WAS UPDATED IN 2012
Did all "operators" and co-permittees sign the SWPPP?	<u>Y</u>	N	
Did the signatures include the certification statement?	<u>Y</u>	N	

UPDES Storm Water Industrial Inspection

Were the signatories authorized to sign?	<u>Y</u>	N	
Is an individual/team responsible for developing/implementing SWPPP identified (e.g., pollution prevention team)?	<u>Y</u>	N	POLLUTION PREVENTION TEAM IS LISTED ON PAGE 2 OF THE SWPPP.
Are employee training records regarding storm water pollution prevention topics included in SWPPP?	<u>Y</u>	N	CONDUCTED AT LEAST ANNUALLY FOR ALL EMPLOYEES

<u>Site Map</u>		Notes:	
Is there a site map?	<u>Y</u>	N	
Drainage patterns/ outfalls?	<u>Y</u>	N	
Identification of types of pollutants?	<u>Y</u>	N	
Location of major structural controls used to reduce pollutants in runoff?	<u>Y</u>	N	
Name of receiving water(s) or MS4's listed?	<u>Y</u>	N	COLORADO RIVER
Is receiving water a tributary to waters of the U.S. (if "yes" indicate name of tributary)?	<u>Y</u>	N	
Location of significant materials exposed to storm water?	<u>Y</u>	N	MINE IS INACTIVE AND NO MATERIALS WERE EXPOSED TO STORM WATER
Locations of major spills occurring within 3 years from date of NOI?	<u>Y</u>	N	NO SPILLS WERE LISTED ON THE SITE MAP
Location of fueling, maintenance, loading and unloading, material storage, waste disposal?	<u>Y</u>	N	

SWPPP Review *(continued)*

<u>Summary of Potential Pollutant Sources</u>	Notes:		
Description of activities, materials, features of site with potential to contribute significant amounts of pollutants to storm water?	<u>Y</u>	N	

<u>Significant Spills & Leaks</u>	Notes:		
List of significant spills and leaks over 3 year time period, description of response taken, and actions to prevent similar spills in the future?	<u>Y</u>	N	FACILITY DID NOT REPORT ANY SIGNNIFICANT SPILLS OR LEAKS OVER THE LAST THREE YEARS. FACILITY DOES HAVE AN SPCC PLAN

UPDES Storm Water Industrial Inspection

<u>Storm Water Controls</u>			Notes:
Does the SWPPP describe the <i>non-structural</i> controls and structural controls that will be used to prevent/reduce discharge of pollutants in storm water runoff?	<u>Y</u>	N	GOOD HOUSEKEEPING, WASTE DISPOSAL, INSPECTIONS, EMPLOYEE TRAINING, PREVENTIVE MAINTENANCE, INSPECTIONS AND INVENTORY OF EXPOSED MATERIALS
Does the SWPPP describe other controls that will be used to prevent/reduce off-site tracking or blowing of sediment, dust and raw, final or waste materials, or other solid materials and floating debris?	<u>Y</u>	N	WATER IS APPLIED TO DIRT ROAD SURFACES AS NEEDED
Does the SWPPP incorporate the 8 baseline controls (good housekeeping, minimizing exposure, PM, spill prevention/response procedures, routine inspections and comprehensive site evaluations, employee training, sediment and erosion control, runoff management)?	<u>Y</u>	N	
Does the SWPPP contain completed routine inspection reports/logs regarding reportable implementation of 8 baseline controls?	<u>Y</u>	N	INSPECTIONS ARE PERFORMED AT LEAST QUARTERLY.
Does the SWPPP describe the pollutant or activity to be controlled by each selected control and provide an implementation schedule?	<u>Y</u>	N	POTENTIAL POLLUTANT SOURCES ARE CONTAINED FROM THE MINE AREA AND COLLECTED IN DETENTION AND RETENTION PONDS.

SWPPP Review *(continued)*

<u>Non-Storm Water Discharges</u>			Notes:
Certification that facility has been tested for non-storm water discharges from the site?	<u>Y</u>	N	EVALUATED IN 2012
Description of testing method, drainage points, observed results, and date of test?	<u>Y</u>	N	VISUAL TEST

<u>Monitoring</u>			Notes:
Are samples collected within 30 minutes of measurable weather events occurring 72 hours after previous measurable weather event?	<u>Y</u>	N	

UPDES Storm Water Industrial Inspection

Photograph Log	
1.	WAHED OUT CULVERTS
2.	FLOOD DRAINAGE AREA
3.	WASTE ROCK
4.	WASTE ROCK
5.	FLOOD AREA
6.	NEW CULVERT
7.	NEW ROAD AFTER FLOOD
8.	MINE NEAR PORTAL
9.	SAME AS #8
10.	SAME AS #8
11.	NEW GRADING WORK
12.	DIVERSION BERM
13.	FLOOD AREA
14.	EROSION WIRE
15.	GRADING WORK
16.	GRADING WORK
17.	CULVERT INSTALLATION
18.	SAME AS #17
19.	STORM WATER DIVERSION
20.	BERM
21.	WASTE ROCK AREA
22.	SAME AS #21
23.	WASTE ROCK PILE
24.	STORM WATER DIVERSION
25.	NEW ROAD
26.	SOUTH PORTAL

Energy Fuels- Daneros Mine



1. Washed out culverts



2. Flood drainage area



3. Waste rock



4. Waste rock



5. Flood area



6. New culvert



7. New road after flood



8. Mine near portal



9. Same as #8



10. Same as #8



11. New grading work



12. Diversion Berm



13. Flood area



14. Erosion wire



15. Grading work



16. Grading work



17. Culvert installation



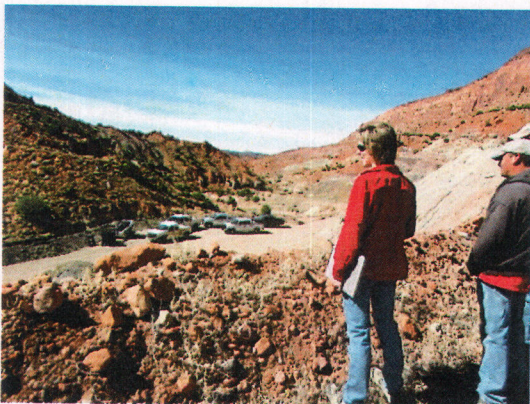
18. Same as #17



19. Storm water diversion



20. Berm



21. Waste rock area



22. Same as #21



23. Waste rock pile



24. Storm water diversion



25. New road



26. South portal